

COMMISSION OFFICERS

Antonia Moran, *Chair*
 Melanie O'Brien, *Vice Chair*
 Mary Lee A. Kiernan, *Secretary*
 Denise Rodosevich, *Treasurer*

EXECUTIVE DIRECTOR

Teresa C. Younger



Connecticut General Assembly



PCSW

Permanent Commission on the Status of Women

The State's leading force for women's equality since 1973.

COMMISSIONERS

Lucia A. Aschettino
 JoAnn Calnen
 April Capone
 Yvonne R. Davis
 Barbara DeBaptiste
 Susan Eastwood
 Catherine Ernsky
 Adrienne Farrar Houel
 Karen Jamoc
 Jennifer Just
 Kristin A. LaFleur
 Holly Masi
 Hilda C. Nieves
 Helene Shay
 Patricia E.M. Whitcombe

HONORARY MEMBERS

Connie Dice
 Patricia T. Hendel
 Patricia Russo

Written

**Testimony of
 The Permanent Commission on the Status of Women
 Before the
 Government Administration and Elections Committee
 March 11, 2013**

Re: HB 6579, AAC the Prequalification of Subcontractors, Removing the Municipal Exemption from the Set-Aside Program and the Percentage of Contracts Reserved for Minority Businesses

Senators Musto and McLachlan, Representatives Jutila and Hwang, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) regarding the above referenced bill.

H.B. 6579 would change the requirements of the set-aside program by 1) redefining the definition of minority owned businesses by removing women from the definition; 2) create a stand-alone category for women, and; 3) allocate 50% of the set-aside program contracts for minority owned businesses. While these are noble changes, we believe the decision to redefine the program should coincide with the outcomes of a new disparity study.

Last year PCSW hosted discussions with the Department of Administrative Services, Commission on Human Rights and Opportunities and a regional minority supplier group to address issues to strengthen the State's Supplier Diversity Program. Since the last disparity study for the State was done 26 years ago, we agreed that a study needed to be completed prior to making any changes in the existing set-aside goals. A disparity study will provide the General Assembly and state agencies with information to make a decision based on the actual numbers of women and minority-owned businesses. We agree with many who say that the current set-aside numbers are outdated and most likely lacking legal credibility, however designating ratios without accurate data may present the same problems.

Impact on CT Women

When compared nationally, Connecticut ranks 30th in the growth of women-owned businesses.¹ Between 1997 and 2012, Connecticut increased 40% in the number of women-owned firms.² In 2011, Connecticut

¹OpenForumThe State of Women-Owned Business Report, March 2012 <<http://openforum.com/womenbusinessreport>>.

²860/3860 Trinity St., Hartford, CT 06106 • phone: 860/240-8300 • fax: 860/240-8314 • email: pcsw@cga.ct.gov • web: www.cga.ct.gov/pcsw

women-owned firms totaled 97,700, an increase of 4.5% from 2007, and generated \$15.4 billion in revenues.³ Seventy-two percent (72.2%) of women owned business in Connecticut have less than \$500,000 in receipts and 27.7% have less than \$100,000 in receipts.⁴

For many women business owners, establishing and expanding one's clientele and doing business with the state are ways to grow a business and develop long term stability. A strong State set-aside program with accurate data and appropriate supports will lift both women and minority-owned businesses generate greater income for everyone. However, we believe it is premature to move this bill forward at this time.

Since there has been no analysis of the current status of women-owned and minority-owned businesses, reserving 50% of the contracts solely for minority-owned businesses may prove to be detrimental to women-owned businesses. We urge the General Assembly to have an updated disparity study in place before making any changes to the existing set-aside goals.

We offer our assistance in any efforts to address the concerns of women-owned businesses. We look forward to continuing to work with you on this issue. Thank you.

² Ibid.

³ Hartford Business. *Women-Owned Businesses Growing in Connecticut*, 2011 <http://www.hartfordbusiness.com/news17960.html>>..

⁴ National Women's Business Council. *Explaining State Level Differences in Women Owned Business Performance, 2006*.
<<http://www.nwbc.gov/ResearchPublications/documents/StateWOBPerformance.pdf>>